



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

February 9, 1983

Mr. Richard Blubaugh
Atlas Minerals
Moab Mill Office
North Highway 163
Moab, Utah 84532-1207

ACT/037/019 ACT/019/007

RE: Mined Land Reclamation Contract
19 Atlas Mines

Dear Mr. Blubaugh:

This letter is to confirm the amount needed for the Mined Land Reclamation Contract to cover 19 Atlas Mines. There are two mines, Cane Creek and Standard II, that are on state lands and, therefore, excluded from this contract. The figures are:

1983 - \$919,285
1984 - \$1,011,213
1985 - \$1,112,335
1986 - \$1,223,568 (amount of Reclamation Contract)

Thank you for your cooperation in this matter.

Sincerely,

Pamela Grubaugh-Littig
PAMELA GRUBAUGH-LITTIG
RECLAMATION ENGINEER

PGL/btb

cc: Jim Smith, DOGM
Tom Tetting, DOGM



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Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

January 27, 1983

Mr. Richard Blubaugh
Atlas Minerals
P.O. Box 1207
Moab, Utah 84532

RE: Inspection of Minesites
and Establishment of
Interim Reclamation
Procedures for Continued
or New Suspension;
Radium King ACT/037/007
Happy Jack ACT/037/024
Patti Ann ACT/037/003
Wood Lease ACT/037/021
Standard I ACT/037/005
Kane Creek ACT/037/019
Cactus Rat ACT/019/009

ACT/019/007

Dear Mr. Blubaugh:

I would like to thank you and Mr. Broschat for meeting with members of the Division during the week of January 19 - 21, 1983 and participating in the inspection of the above referenced minesites. It certainly facilitates the mutual understanding of reclamation techniques and procedures for both parties to discuss on-site conditions together.

The Division agrees that a continued suspension period of two years be given to the Patti Ann, Radium King and the Wood Lease Mines provided the following interim reclamation measures are taken for each indicated minesite:

Patti Ann - A number of erosional incisions in the south and west ends of the main facilities pad should be repaired and regrading of the waste rock be performed to eliminate ponding and excessive wastage of the material. It is suggested that runoff channels be rip-rapped to prevent this from occurring in the future.

Wood Lease - Information requested in the conditional final approval for all the Atlas mine plans and contract should be provided. A number of erosional areas along the out slopes of the main facilities pad area should be repaired and regraded to curtail continued erosion.

Mr. Richard Blubaugh
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Radium King -

1. The upper west channel pond culvert should be repaired or an overflow drainage should be provided with adequate energy control measures implemented to minimize erosion.
2. All adits, portals and shafts should be made inaccessible. Surface drainage should be routed away from the decline at the central west channel surface facilities area.
3. The trash (e.g. scrap metal, car bodies, tires, cans, etc.) located in all drainages should be removed from the drainages and emplaced on-site in a consolidated fashion where it will be isolated from erosion and disruption from future operations. This does not have to be removed from the site but should be positioned until final reclamation is initiated.

The following minesites may be continued in a state of suspension, subject to Rule M-7 of the Mined Land Reclamation Act, provided the following interim conditions are met:

Happy Jack -

1. The central drainage area should be cleared of waste rock to become non-impounding. Currently it is acting as a basin with no outlet.
2. All portals and openings should be secured and locked.
3. Trash and garbage which may constitute a health or environmental problem should be removed (i.e. discarded oil and solvents, batteries, transformers, leaking machinery parts and engines, etc.).
4. The highwall on the west end of the disturbed area is becoming deeply incised at the top as drainage is channeled away from the portal areas. This should be regraded and/or rip-rapped, before a serious hazard is created.

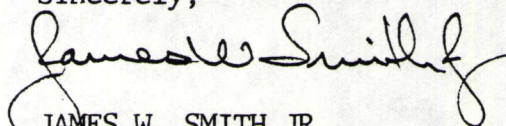
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- Standard I -
1. The portal should be fenced and locked.
 2. The central drainage area through the pad needs to be rechanneled. Regrading and backhoe work along with rip-rapping should accomplish the task as dicussed on site.
- Cane Creek -
- The final reclamation of this minesite has already been proposed and discussed in the conditional approval letter for permitting all of the Atlas Mines.
- Cactus Rat -
1. An open hole on the south end of the property should be boarded up, or fenced and secured to prevent possible injury to the public.
 2. All openings to the numerous short tunnels and pits should be posted with warning signs and secured temporarily to discourage entry.

A commitment by Atlas Minerals to the previously listed interim reclamation procedures should be forwarded to the Division as early as possible describing the timetable for implementation. These measures should be completed during 1983.

Please direct your response or any questions you may have to Tom Tetting of my staff.

Sincerely,



JAMES W. SMITH JR.
COORDINATOR
MINED LAND DEVELOPMENT

JWS/TNT:lm

cc: Tom Tetting



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January 28, 1983

REGISTERED RETURN RECEIPT REQUESTED

Mr. Richard Blubaugh
Atlas Minerals
Moab Mill Office
North Highway 163
Moab, Utah 84532-1207

APR 10 32/019
ACT 1019/007

RE: Conditions Pertaining
to Final Approval
of the Atlas Minerals
Mined Land Reclamation
Contract.
All Atlas Files

Dear Mr. Blubaugh:

Pursuant to the Utah Mined Land Reclamation Act, Title 40-8, Utah Code Annotated, 1953, the Board of Oil, Gas and Mining on October 28, 1982 concurred with the Division staff to issue tentative approval for the Mining and Reclamation Plans and approved the Contract form of surety. In accordance with Section 40-8-13 (4) of the Utah Mined Land Reclamation Act notice was published for a thirty day public comment period commencing on November 19, 1982. No adverse comments were received during that period. The Board subsequently gave final approval to the Contract form and amount of surety on January 27, 1983.

Due to the nature and extent of the review, the following conditions have been attached to the final Division approval. A written commitment from Atlas Minerals satisfying these items should be forwarded to the Division along with the signed and sealed Reclamation Contract.

1. A specific plan, or alternate set of plans, detailing and documenting the type of method(s) proposed to permanently reclaim and seal existing or proposed mine portals, adits, boreholes, vents and shafts should be provided to the Division for review. The details for such closures have not been provided on any Atlas mine plans currently on file. These plans are requested in order to determine whether or not compliance can be achieved with Section 40-8-12 (1), (b) and (c); Rule M-3 (2)(d); and Rule M-10 (2)(a).
2. The Division agrees with the proposal outlined in Atlas Mineral's letter of January 21, 1983 indicating Atlas' intention to permanently

reclaim the Cane Creek Mine, ACT/019/007. However, the purpose of providing a demonstration site for reclamation techniques has been somewhat negated. Therefore the Division requests that additional information be provided detailing Atlas Mineral's reclamation efforts and results of at least one minesite in Colorado (as discussed January 20, 1983 with Richard Blubaugh). This Colorado site should exhibit conditions similar in nature to sites in Utah and essentially be biologically and topographically equivalent. The information submitted should include; percent ground cover of native vegetation, site maps, seed bed preparation methods, seeding or planting techniques, seed rates and amounts, application of amendments if used, topsoil data, and precipitation data, and time of seeding or planting. An annual monitoring report on the progress and success of the reclamation work, including at a minimum the total percent vegetative cover of the seeded species (over time) should be submitted for a period of at least three years.

This request is essentially due to the Division's concern that Atlas' choice of the Cane Creek Mine has not taken into consideration the need for providing a substantial waste rock pile in order to adequately determine vegetative success standards which could be readily transferable to other Atlas minesites in Utah.

3. An ultimate reclamation commitment regarding the removal of irrigation pipe and associated pumping equipment is necessary for the Wood Lease Mine, ACT/037/021. In addition, submittal of water analyses reports substantiating compliance with State Health Department standards (parameters to include radioelement measurements) should be made to the Division for verification. If older analyses are unavailable, a new series of measurements should be taken and submitted as well as a narrative describing the formation source beds for this water.
4. A location map which includes present surface structures, topographic features, access and drainages, as mentioned in the Division's December 8, 1982 letter should be submitted for the Happy Jack Mine, ACT/037/024.
5. An updated map including access to the Cane Creek Mine site, ACT/019/007 is requested per the Division's letter of December 8, 1982.
6. The updated map requested in the Division's letter of December 8, 1982 should also be provided for the Calliham Sage Mine, ACT/037/023.

Mr. Richard Blubaugh
January 28, 1983
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7. The total estimated bond value for the twenty-one approved mine plans is:

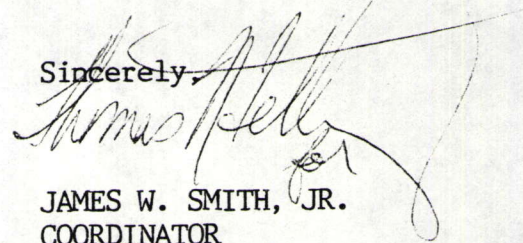
for 1983	\$941,917
for 1984	\$1,036,109
for 1985	\$1,139,720
for 1986	\$1,253,691

These figures include a 10% annual inflation factor incorporated into them and should be confirmed by Atlas.

Upon the Division's receipt of the signed contract and written confirmation of acceptance of the conditions, a sixty day time period will go into effect in which Atlas must respond to the aforementioned seven items. Upon completion of the Division's review of Atlas' response, the Division will issue final approval to Atlas Minerals for the twenty-one mines currently on file.

As always, if you have any questions please do not hesitate to contact me or Tom Tetting of my staff.

Sincerely,



JAMES W. SMITH, JR.
COORDINATOR
MINED LAND DEVELOPMENT

JWS/TNT:lm

cc: Tom Tetting, DOGM
Pam Grubaugh-Littig, DOGM
James Holtcamp, Van Cott, Bagley, Cornwall & McCarthy